

**CITY OF JOLIET
INTEROFFICE MEMORANDUM**

October 10, 2018

TO: Finance Committee

FROM: Kenneth R. Mihelich, Budget Officer

SUBJECT: Review of September 30, 2018 General Fund Operating Budget

Please find attached the September 30, 2018 Finance Reports for the Operating, Capital and Special Revenue Funds. Below are brief comments related to items within the General Fund Operating budget vs. actual report.

Revenues:

At the end of nine months, overall revenues are at 72.6%, which appears to be lagging an expected overall percentage of 75% considering this is end of the third quarter. However, during the month of September, the reversal of prior-end audit accruals were made which has the overall effect of reducing revenues received in 2018 which were accounted for in the 2017 year-end financials. After taking these adjustments into consideration, overall revenues are in line with the budget.

On the revenue side, other items of note:

- Interest Income continues to be ahead of budget.
- Real estate transfer taxes, replacement taxes, and licenses and permits continue to remain strong.
- Property taxes at 96.2% appear to be way ahead of budget, but this is more a matter of timing as the second set of taxes were in early September. It is anticipated real estate taxes will come in as budgeted.

Expenditures:

Overall expenditures are at 74.6% of budget which is in line with expectations. However, the September accrual adjustments noted above will have a similar but smaller impact on expenditures, so expenditures are slightly ahead of budget. Continued monitoring of all expenditures will continue by the Finance Department.

On the expenditure side, several other items of note:

- Municipal waste appears to be lower than expected at 67%. However, this includes only 8 months of expenditures. Therefore, if a ninth month were added (at approximately \$990K), this line item would be at 75% or right on budget.
- The Finance Department is at 105% of budget. This is due to IMRF payments associated with retirement buyouts as well as IMRF employees for most of the General Fund being charged to this account.

Please note that the budget is prepared on a modified accrual basis and this report is reported on a cash basis (with some year-end accrual adjustments as noted). This report provides an overall indicator of general trends, but accruals at year- end will create differences.

Cc: David Hales, City Manager
Jim Ghedotte, Finance Director

City of Joliet
Finance Reports
Operating Budgets
as of September 30, 2018

	2018 Budget	2018 September YTD	% of Budget
General Fund (100)			
Revenue			
Property Taxes	35,696,000.00	34,335,252.11	96.19%
Gaming Taxes	18,115,000.00	11,621,179.30	64.15%
State Sales Taxes	21,850,000.00	13,650,150.46	62.47%
Home Rule Sales Tax	23,650,000.00	15,482,103.54	65.46%
Utility Taxes	7,600,000.00	4,372,812.39	57.54%
State Income Taxes	14,350,000.00	9,869,072.12	68.77%
Hotel/Motel Tax	2,600,000.00	1,646,667.96	63.33%
Real Estate Transfer Tax	2,038,000.00	2,149,748.85	105.48%
Titled/Registration Tax	160,000.00	124,062.95	77.54%
Automobile Rental Tax	41,000.00	24,014.72	58.57%
Food & Beverage Tax	3,000,000.00	2,061,229.10	68.71%
Gasoline Privileg Tax	680,000.00	525,851.58	77.33%
Amusement Tax	105,000.00	79,565.00	75.78%
Telephone Franchise Tax	82,000.00	47,766.46	58.25%
Cable Franchise Tax	2,000,000.00	1,548,013.56	77.40%
Replacement Tax	2,028,224.00	1,873,414.68	92.37%
Out of State Use Tax	3,650,000.00	2,413,583.91	66.13%
Pari-Mutuel Tax	105,000.00	61,102.86	58.19%
Charges for Services	9,380,000.00	7,039,375.48	75.05%
Licenses & Permits	2,600,500.00	2,246,495.80	86.39%
Fines & Fees	3,316,060.00	2,531,158.36	76.33%
Municipal Waste Fees	13,724,696.00	10,441,771.85	76.08%
Fed/State/Priv Grant	357,800.00	273,362.56	76.40%
Interest Income	75,000.00	303,035.24	404.05%
Miscellaneous Rev	2,711,000.00	2,062,466.15	76.08%
Transfer In	4,725,000.00	-	0.00%
Revenue Total	174,640,280.00	126,783,256.99	72.60%
Expense			
Personal Services	80,520,974.00	58,919,857.71	73.17%
Personal Svc - Benef	61,263,511.00	53,000,973.14	86.51%
Professional Service	5,134,901.80	2,989,482.07	58.22%
Property Services	18,575,243.39	11,650,252.59	62.72%
Other Services	1,507,886.29	855,097.71	56.71%
Supplies	8,004,090.19	4,509,365.31	56.34%
Other Employee Costs	596,400.90	248,745.82	41.71%
Debt Service	450.00	450.00	100.00%
Other Expenses	3,394,300.00	2,835,720.12	83.54%
Transfer Out	2,042,790.00	-	0.00%
Expense Total	181,040,547.57	135,009,944.47	74.57%
General Fund Total	(6,400,267.57)	(8,226,687.48)	

	2018 Budget	2018 September YTD	% of Budget
General Fund Expenses By Department			
Expense			
Mayor & Council	376,540.00	270,822.82	71.92%
City Manager	1,575,384.00	1,116,764.82	70.89%
City Clerk	798,035.00	576,569.11	72.25%
Administrative Services	14,581,810.00	10,467,934.13	71.79%
Hospitalization	22,250,000.00	16,837,042.00	75.67%
Community Development	6,980,315.00	4,332,976.29	62.07%
Finance	3,753,206.00	3,929,175.48	104.69%
Municipal Waste	11,873,200.00	7,926,337.30	66.76%
Technology	3,310,561.00	1,767,020.23	53.38%
Legal	2,376,696.00	1,776,693.13	74.75%
Police	55,670,081.00	44,126,220.08	79.26%
Fire	39,797,477.00	32,000,121.25	80.41%
Public Works	15,654,452.00	9,882,267.83	63.13%
Transfer Out	2,042,790.00	-	0.00%
Expense Total	181,040,547.00	135,009,944.47	74.57%
General Fund Expenses By Department Total	(181,040,547.00)	(135,009,944.47)	
Parking Operating Fund (520)			
Revenue			
Fines & Fees	1,806,000.00	742,107.83	41.09%
Interest Income	450.00	717.01	159.34%
Miscellaneous Rev	282.00	(575.18)	-203.96%
Revenue Total	1,806,732.00	742,249.66	41.08%
Expense			
Personal Services	794,940.00	368,661.45	46.38%
Personal Svc - Benef	191,214.00	105,545.42	55.20%
Professional Service	133,000.00	84,458.72	63.50%
Property Services	215,800.00	122,816.80	56.91%
Other Services	27,580.00	15,662.40	56.79%
Supplies	68,314.15	37,528.73	54.94%
Transfer Out	325,000.00	-	0.00%
Expense Total	1,755,848.15	734,673.52	41.84%
Parking Fund Total	50,883.85	7,576.14	

	2018 Budget	2018 September YTD	% of Budget
Water & Sewer Operating Fund (500)			
Revenue			
Charges for Services	49,375,205.00	40,182,476.74	81.38%
Fines & Fees	1,725,000.00	2,079,181.04	120.53%
Interest Income	100,000.00	216,636.33	216.64%
Miscellaneous Rev	1,000,000.00	362,289.05	36.23%
Revenue Total	52,200,205.00	42,840,583.16	82.07%
Expense			
Personal Services	9,778,597.00	5,936,160.74	60.71%
Personal Svc - Benef	3,378,180.00	1,594,596.11	47.20%
Professional Service	3,350,460.00	797,884.81	23.81%
Property Services	4,337,683.00	1,680,139.97	38.73%
Other Services	411,100.00	184,215.60	44.81%
Supplies	7,780,491.00	4,309,657.58	55.39%
Other Employee Costs	356,250.00	269,486.36	75.65%
Debt Service	1,500.00	-	0.00%
Other Expenses	52,500.00	18,922.91	36.04%
Transfer Out	4,700,000.00	-	0.00%
Expense Total	34,146,761.00	14,791,064.08	43.32%
Water & Sewer Operating Fund Total	18,053,444.00	28,049,519.08	

City of Joliet
 Finance Reports
 Capital Budgets
 as of September 30, 2018

	2018 Budget	2018 September YTD	% of Budget
Capital Improvement Fund (300)			
Revenue			
Charges for Services	1,000,000.00	-	
Interest Income	20,000.00	37,636.41	188.18%
Transfer In	1,670,970.00	-	0.00%
Revenue Total	2,690,970.00	37,636.41	1.40%
Expense			
Capital Outlay	5,805,678.00	1,892,294.14	32.59%
Expense Total	5,805,678.00	1,892,294.14	32.59%
Capital Improvement Fund Total	(3,114,708.00)	(1,854,657.73)	
Motor Fuel Tax Fund (200)			
Revenue			
Other Taxes	3,700,000.00	2,193,583.18	59.29%
Fed/State/Priv Grant	-	117,414.06	
Interest Income	20,000.00	90,918.67	454.59%
Miscellaneous Rev	-	1,600.00	
Revenue Total	3,720,000.00	2,403,515.91	64.61%
Expense			
Professional Service	-	3,395.91	
Capital Outlay	9,834,158.00	3,935,704.00	40.02%
Expense Total	9,834,158.00	3,939,099.91	40.06%
Motor Fuel Tax Fund Total	(6,114,158.00)	(1,535,584.00)	
Performance Bonds Fund (320)			
Revenue			
Interest Income	-	53,391.66	
Miscellaneous Rev	1,000,000.00	-	
Revenue Total	1,000,000.00	53,391.66	5.34%
Expense			
Capital Outlay	4,000,000.00	-	0.00%
Expense Total	4,000,000.00	-	0.00%
Performance Bonds Fund Total	(3,000,000.00)	53,391.66	
Parking Improvement Fund (521)			
Expense			
Depreciation	156,000.00	-	0.00%
Expense Total	156,000.00	-	0.00%

	2018 Budget	2018 September YTD	% of Budget
Parking Improvement Fund Total	156,000.00	-	
Water & Sewer Improvement Fund (501)			
Revenue			
Fed/State/Priv Grant		2,454.20	
Interest Income	-	(3.94)	
Revenue Total	-	2,450.26	
Expense			
Depreciation	11,000,000.00	(1,761.83)	-0.02%
Capital Outlay	9,616,544.66	3,110,397.74	32.34%
Expense Total	20,616,544.66	3,108,635.91	15.08%
Water & Sewer Improvement Fund Total	(20,616,544.66)	(3,106,185.65)	
IEPA CSO Tunnel (502)			
Revenue			
Miscellaneous Rev	-	84,477.75	
Revenue Total	-	84,477.75	
Expense			
Capital Outlay	-	-	
Expense Total	-	-	
IEPA CSO Tunnel Fund Total	-	84,477.75	
IEPA ESTP IPS & Screen (504)			
Revenue			
Miscellaneous Rev	-	149,866.01	
Revenue Total	-	149,866.01	
Expense			
Capital Outlay	150,000.00	147,316.01	98.21%
Expense Total	150,000.00	147,316.01	98.21%
IEPA ESTP IPS & Screen Fund Total	150,000.00	2,550.00	
IEPA Wet Weather Treatment Facility (507)			
Revenue			
Miscellaneous Rev	41,000,000.00	12,771,925.31	31.15%
Revenue Total	41,000,000.00	12,771,925.31	31.15%
Expense			
Capital Outlay	39,995,912.00	11,970,722.68	29.93%
Expense Total	39,995,912.00	11,970,722.68	29.93%
IEPA Wet Weather Treatment Facility Fund Tot	1,004,088.00	801,202.63	

	2018 Budget	2018 September YTD	% of Budget
IEPA Aux Sable & WSTP Phosphorus Removal (508)			
Revenue			
Miscellaneous Rev	18,620,000.00	6,697,497.23	35.97%
Revenue Total	18,620,000.00	6,697,497.23	35.97%
Expense			
Capital Outlay	17,620,000.00	5,591,021.92	31.73%
Expense Total	17,620,000.00	5,591,021.92	31.73%
IEPA Aux Sable & WSTP Phosphorus Removal	1,000,000.00	1,106,475.31	
IEPA Sanitary Sewer Rehab (509)			
Revenue			
Miscellaneous Rev	1,589,000.00	1,553,272.99	97.75%
Revenue Total	1,589,000.00	1,553,272.99	97.75%
Expense			
Capital Outlay	3,277,500.00	1,553,272.99	47.39%
Expense Total	3,277,500.00	1,553,272.99	47.39%
IEPA Sanitary Sewer Rehab Fund Total	(1,688,500.00)	-	
IEPA Watermain Rehabilitation (510)			
Revenue			
Miscellaneous Rev	-	933,587.71	
Revenue Total	-	933,587.71	
Expense			
Capital Outlay	2,000,000.00	932,506.46	46.63%
Expense Total	2,000,000.00	932,506.46	46.63%
IEPA Watermain Rehabilitation	(2,000,000.00)	1,081.25	
IEPA ESTP Phosphorus Removal (511)			
Revenue			
Miscellaneous Rev	-	-	
Revenue Total	-	-	
Expense			
Capital Outlay	707,000.00	223,212.61	
Expense Total	707,000.00	223,212.61	
IEPA ESTP Phosphorus Removal	(707,000.00)	(223,212.61)	
IEPA 2018 Sanitary Sewer Rehab (512)			
Revenue			
Miscellaneous Rev	6,886,000.00	872,057.36	
Revenue Total	6,886,000.00	872,057.36	

	2018 Budget	2018 September YTD	% of Budget
Expense			
Capital Outlay	13,626,000.00	269,918.71	
Expense Total	13,626,000.00	269,918.71	
IEPA 2018 Sanitary Sewer Rehab	(6,740,000.00)	602,138.65	
IEPA 2018 Watermain Rehab (513)			
Revenue			
Miscellaneous Rev	7,200,000.00	2,997,780.70	
Revenue Total	7,200,000.00	2,997,780.70	
Expense			
Capital Outlay	7,200,000.00	2,720,265.37	
Expense Total	7,200,000.00	2,720,265.37	
IEPA Sanitary Sewer Rehab	-	277,515.33	
IEPA 2019 Sanitary System Rehabilitation (514)			
Revenue			
Miscellaneous Rev	345,000.00	-	0.00%
Revenue Total	345,000.00	-	0.00%
Expense			
Capital Outlay	760,000.00	280,237.25	36.87%
Expense Total	760,000.00	280,237.25	36.87%
IEPA 2019 Sanitary System Rehabilitation	(415,000.00)	(280,237.25)	
IEPA 2019 Water System Rehabilitation (515)			
Revenue			
Miscellaneous Rev	350,000.00	-	0.00%
Revenue Total	350,000.00	-	0.00%
Expense			
Capital Outlay	400,000.00	258,760.29	64.69%
Expense Total	400,000.00	258,760.29	64.69%
IEPA 2019 Water System Rehabilitation	(50,000.00)	(258,760.29)	
IEPA Eastside Sewer Relief (530)			
Revenue			
Miscellaneous Rev	10,250,000.00	-	0.00%
Revenue Total	10,250,000.00	-	0.00%
Expense			
Capital Outlay	10,250,000.00	-	0.00%
Expense Total	10,250,000.00	-	0.00%
IEPA Eastside Sewer Relief	-	-	

	2018 Budget	2018 September YTD	% of Budget
Water Reserve Fund (531)			
Revenue			
Transfer In	300,000.00	-	0.00%
Revenue Total	300,000.00	-	0.00%
Water Reserve Fund	300,000.00	-	

City of Joliet
Finance Reports
Special Revenue Budgets
as of September 30, 2018

	2018 Budget	2018 September YTD	% of Budget
Block Grant Fund (210)			
Revenue			
Fed/State/Priv Grant	2,014,629.00	905,119.56	44.93%
Revenue Total	2,014,629.00	905,119.56	44.93%
Expense			
Professional Service	846,829.00	192,767.10	22.76%
Property Services	845,000.00	-	0.00%
Other Services	3,300.00	826.86	25.06%
Other Employee Costs	4,500.00	3,979.42	88.43%
Capital Outlay	225,000.00	513,854.66	228.38%
Transfer Out	90,000.00	-	0.00%
Expense Total	2,014,629.00	711,428.04	35.31%
Block Grant Fund Total	-	193,691.52	
Evergreen Terrace Fund (110)			
Revenue			
Miscellaneous Rev	1,000,000.00	-	0.00%
Transfer In	90,000.00	-	0.00%
Revenue Total	1,090,000.00	-	
Expense			
Professional Service	90,000.00	8,277.50	9.20%
Property Services	-	952.35	
Expense Total	90,000.00	9,229.85	10.26%
Evergreen Terrace Fund Total	1,000,000.00	(9,229.85)	
Business District Fund (240)			
Revenue			
Other Taxes	115,000.00	77,105.39	67.05%
Interest Income	1,500.00	4,039.79	269.32%
Revenue Total	116,500.00	81,145.18	69.65%
Expense			
Other Expenses	115,000.00	23,015.26	20.01%
Expense Total	115,000.00	23,015.26	20.01%
Business District Fund Total	1,500.00	58,129.92	

	2018 Budget	2018 September YTD	% of Budget
General Debt Service Fund (405)			
Revenue			
Property Taxes	1,663,000.00	1,637,704.49	98.48%
Revenue Total	1,663,000.00	1,637,704.49	98.48%
Expense			
Debt Service	1,662,950.00	101,225.00	6.09%
Expense Total	1,662,950.00	101,225.00	6.09%
General Debt Service Fund Total	50.00	1,536,479.49	
Grant & Special Revenue Fund (220)			
Revenue			
Charges for Services	179,378.00	6,500.00	3.62%
Fed/State/Priv Grant	10,302,033.00	2,309,435.64	22.42%
Interest Income	5,000.00	8,884.43	177.69%
Revenue Total	10,486,411.00	2,324,820.07	22.17%
Expense			
Professional Service	1,701,100.00	432,907.79	25.45%
Other Services	7,500.00	1,568.58	20.91%
Supplies	112,814.00	17,420.79	15.44%
Other Employee Costs	-	1,954.00	
Other Expenses	1,500.00	1,624.00	108.27%
Capital Outlay	9,765,497.00	1,300,275.88	13.31%
Expense Total	11,588,411.00	1,755,751.04	15.15%
Grant & Special Revenue Fund Total	(1,102,000.00)	569,069.03	
Special Revenue Revolving Fund (221)			
Revenue			
Fines & Fees	243,500.00	136,171.16	55.92%
Fed/State/Priv Grant	20,000.00	8,451.30	42.26%
Interest Income	50.00	22.91	45.82%
Revenue Total	263,550.00	144,645.37	54.88%
Expense			
Professional Service	64,500.00	15,409.01	23.89%
Property Services	1,000.00	1,642.90	
Other Services	5,000.00	4,021.07	80.42%
Supplies	200,000.00	34,354.17	17.18%
Other Employee Costs	43,700.00	23,915.97	54.73%
Other Expenses	42,000.00	22,840.50	
Capital Outlay	110,000.00	45,835.94	41.67%
Expense Total	466,200.00	148,019.56	31.75%
Special Revenue Revolving Fund Total	(202,650.00)	(3,374.19)	

	2018 Budget	2018 September YTD	% of Budget
Foreign Fire Tax Fund (225)			
Revenue			
Other Taxes	200,000.00	-	0.00%
Revenue Total	200,000.00	-	0.00%
Expense			
Other Expenses	200,000.00	-	0.00%
Expense Total	200,000.00	-	0.00%
Foreign Fire Tax Fund Total	-	-	
Special Service Area Fund (230)			
Revenue			
Property Taxes	641,540.00	460,806.09	71.83%
Fines & Fees	-	35,839.05	
Revenue Total	641,540.00	496,645.14	77.41%
Expense			
Professional Service	16,540.00	-	0.00%
Property Services	43,560.00	5,853.00	13.44%
Other Expenses	330,000.00	210,231.32	63.71%
Capital Outlay	250,000.00	402,988.77	161.20%
Transfer Out	50,000.00	-	0.00%
Expense Total	690,100.00	619,073.09	89.71%
Special Service Area Fund Total	(48,560.00)	(122,427.95)	
TIF #2 City Center Fund (250)			
Revenue			
Property Taxes	600,000.00	561,306.74	93.55%
Interest Income	-	1,336.94	
Miscellaneous Rev	100,000.00	100,000.00	100.00%
Transfer In	50,000.00	-	0.00%
Revenue Total	750,000.00	662,643.68	88.35%
Expense			
Professional Service	25,000.00	4,810.00	19.24%
Other Services	-	991.80	
Other Expenses	600,000.00	416,171.85	69.36%
Capital Outlay	1,476,125.00	827,383.08	
Expense Total	2,101,125.00	1,249,356.73	59.46%
TIF #2 City Center Fund Total	(1,351,125.00)	(586,713.05)	
TIF #3 Cass Street Fund (251)			
Revenue			
Property Taxes	70,000.00	102,362.09	146.23%
Revenue Total	70,000.00	102,362.09	146.23%
Expense			
Professional Service	2,500.00	2,255.00	

	2018 Budget	2018 September YTD	% of Budget
Other Expenses	67,500.00	-	0.00%
Expense Total	70,000.00	2,255.00	3.22%

TIF #3 Cass Street Fund Total	-	100,107.09	
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TIF #4 Presence St. Joseph (252)

Revenue			
Property Taxes	10,000.00	17,554.89	175.55%
Revenue Total	10,000.00	17,554.89	175.55%

Expense			
Professional Service	-	2,255.00	
Other Expenses	-	-	
Expense Total	-	2,255.00	

TIF #4 Presence St. Joseph Fund Total	10,000.00	15,299.89	
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Water & Sewer Debt Service Fund (505)

Expense			
Debt Service	9,474,883.00	2,112,805.42	22.30%
Expense Total	9,474,883.00	2,112,805.42	22.30%

Water & Sewer Debt Service Fund Total	9,474,883.00	2,112,805.42	
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Investment Report - By Institution
as of September 30, 2018

	Maturity	Purchased	Rate	Principal	Est. Earned Interest	TOTAL
FIRST MIDWEST BANK				4,141,729.39		4,141,729.39
Capital Improvement Fund	Daily			1,648,589.30		1,648,589.30
Motor Fuel Fund	Daily			2,123,339.02		2,123,339.02
Property Improvement Fund	Daily			167,245.50		167,245.50
TIF Fund	Daily			202,555.57		202,555.57
IPTIP				55,089,234.41		55,089,234.41
Business District Fund	Daily			362,761.88		362,761.88
General Fund	Daily			25,893,200.44		25,893,200.44
Motor Fuel Fund	Daily			2,275,317.56		2,275,317.56
Property Improvement Fund	Daily			4,130,849.77		4,130,849.77
Water & Sewer Funds	Daily			22,427,104.76		22,427,104.76
CIBC				11,519,580.81		11,519,580.81
General Fund	Daily			1,966,172.62		1,966,172.62
Grants & Special Revenue Fund	Daily			5,387,830.34		5,387,830.34
Parking Fund	Daily			434,823.28		434,823.28
Water & Sewer Funds	Daily			3,730,754.57		3,730,754.57
CIBC - 90 DAY CD				6,151,625.70	31,396.57	6,183,022.27
Capital Improvement Fund	11/12/2018	8/13/2018	2.05%	2,120,111.68	10,835.80	2,130,947.48
Motor Fuel Fund	11/12/2018	8/13/2018	2.05%	3,146,494.41	16,081.60	3,162,576.01
Water & Sewer Funds	12/13/2018	9/13/2018	2.03%	885,019.61	4,479.17	889,498.78
BUSEY BANK-6 MONTH CD				2,089,459.12	19,577.95	2,109,037.07
Capital Improvement Fund	10/26/2018	4/26/2018	1.90%	2,089,459.12	19,577.95	2,109,037.07
Grand Total				78,991,629.43	50,974.52	79,042,603.95